 KazTransOil	of KazTransOil JSC	
Name of the ISM document:	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	p. 1 of 27
Developer: compliance control service	Approved by the decision of the Board of Directors KazTransOilJSC (minutes of the meeting as of "14" April 2022 No. 7/2022)	


CONTENTS

1. PURPOSE OF THE DOCUMENT AND GENERAL PROVISIONS	1
2. SCOPE OF APPLICATION	3
3. TERMS, DEFINITIONS AND ABBREVIATIONS	3
4. PROCESS DESCRIPTION	6
Chapter 1. Block diagram.....	6
Chapter 2. Identification of a conflict of interest	7
§1. Types of conflicts of interest.....	7
§2. Procedure for disclosure of information about a conflict of interest... 11	
Chapter 3. Prevention and settlement of conflicts of interest.....	15
§1. Measures to prevent and resolve conflicts of interest	15
§2. Application of conflict of interest resolution measures.....	16
Chapter 4. Monitoring of information about a conflict of interest	18
5. RESPONSIBILITY	18
6. PROCESS PERFORMANCE CRITERIA	19
7. PROCESS RISKS	19
8. REFERENCE TO DOCUMENTS*.....	20
9. ANNEXES	20


1. PURPOSE OF THE DOCUMENT AND GENERAL PROVISIONS

1. The Rules for Managing conflicts of interest among officials and Employees of KazTransOil JSC (hereinafter referred to as the Rules) have been developed in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies" [1], the Law of the Republic of Kazakhstan "On Anti-Corruption" [2], the Charter of KazTransOil Joint Stock Company [3], the Corporate Governance Code [4], the Code of Business Ethics of KazTransOil JSC [5].

2. The Rules regulate the process of conflict of interest management in the Company, determine possible situations of conflict of interest, requirements for participants in the process and their responsibilities, as well as measures to prevent and resolve conflicts of interest.

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 2 of 27

3. The objectives of the Rules are:
 - 1) creation of a uniform conflict of interest management system in the Company;
 - 2) ensuring a fair, objective and independent decision-making process in the interests of the Company, its shareholders and investors;
 - 3) definition of requirements for the behavior of officials and Employees, compliance with which will ensure the honest and unbiased performance of their official/work duties and impartial decision-making.
4. The main objectives of the Rules are:
 - 1) establishment of basic requirements for officials and Employees to prevent the occurrence of a conflict of interest;
 - 2) determination of the procedure for disclosure of information about possible and emerging conflicts of interest, mechanisms for making managerial decisions and norms of behavior of officials and employees in the conditions of existing conflicts of interest;
 - 3) providing general information to officials and Employees about the measures taken to identify and resolve conflicts of interest in the Company.
5. The requirements on the inadmissibility of a conflict of interest apply to all officials and Employees.
6. Officials and Employees should take measures to prevent and resolve conflicts of interest. If an official and/or Employee has become aware of a conflict of interest, they must immediately report such a conflict in accordance with the procedure established by the Rules. At the same time, their rights should not be infringed in the case of such treatment.
7. The Company accepts that officials and Employees may have legitimate personal interests outside of the performance of their official/labor duties in the Company, but any conflict of interests between such personal interests and official/labor duties of these persons in the Company must be disclosed and settled in accordance with the Rules.
8. An official and an Employee, performing their official/labor duties, are obliged to put the interests of the Company above their personal interests and be guided solely by the interests of the Company when solving business issues. The decision-making process should not depend on the religious, ethnic, political, family or other personal preferences of the decision-maker. Not all personal interests, relationships, influences, or actions automatically create a conflict of interest. The Official and the Employee should be guided by common sense, taking into account all relevant requirements of the Rules.
9. The Company has the right, at its sole discretion, to prohibit certain conflicts of interest among its officials and/or Employees, if such conflicts pose a significant risk to the interests or reputation of the Company, and if such

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 3 of 27

prohibitions do not contradict the legislation of the Republic of Kazakhstan and the legislation of those countries where SDJCO are registered and/or conduct their business.

10. Officials and Employees are allowed to invest directly or indirectly in the Company or any company with which the Company carries out its activities, if the official or Employee and/or affiliated persons do not influence decision-making in such a company.

2. SCOPE OF APPLICATION

11. The Rules apply to all officials and Employees.

All requirements and provisions of the Rules regarding Employees also apply to persons performing work in the Company in accordance with the contract for the provision of personnel services.

12. SDJCO can develop and approve their own rules for managing conflicts of interest among officials and employees of SDAs, taking into account the specifics of their activities, which do not contradict the provisions of the Rules.

13. If certain provisions of the Rules come into conflict with traditions, customs or someone's personal ideas about the relevant rules of conduct, the provisions of the Rules apply.

3. TERMS, DEFINITIONS AND ABBREVIATIONS

14. For the purposes of the Rules, the following terms, definitions and abbreviations are used:

1) **beneficial owner** - an individual who directly or indirectly owns more than twenty-five percent of the shares of participation in the authorized capital or placed (minus preferred and repurchased by the joint-stock company) shares of a legal entity, or exercising control over such a legal entity in another way;


2) **close relatives** - parents (parent), children, adoptive parents (adoptive parents), adopted (adopted), full and half siblings, grandfather, grandmother, grandchildren;

3) **hotline** - the Company's helpline +7 (7172) 555-210 and/or the Company's electronic trust system - doverie@kaztransoil.kz and/or a special dedicated line "No corruption!" 5213@kaztransoil.kz;

4) **official** - member of the Board of Directors, Management Board;

5) **SDJCO** - subsidiaries and jointly controlled organizations of the Company;

6) **insider information** is reliable information about the Company's shares, transactions with them, as well as about the Company, its activities that constitute

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 4 of 27

a trade secret, as well as other information not known to third parties, the disclosure of which may affect changes in the value of the Company's shares and the Company's activities;

7) **HR service** is the HR administration department of a structural subdivision of the central office of the Company, whose functions include personnel records management/HR department (service) of a separate structural subdivision/An employee of a separate structural division responsible for personnel records management;

8) **KMG** – JSC NC "KazMunayGas";

9) **Commission** is a permanent consultative and advisory body of the Company, whose functions include consideration of issues and determination of measures to resolve conflicts of interest;

10) **competitor** - an individual engaged in entrepreneurial activity, a legal entity that provides services similar to those provided by the Company and/or SDJCO;

11) **counterparty** - an individual engaged in entrepreneurial activity, a legal entity, a temporary association of legal entities (consortium) with which the Company has concluded or plans to conclude a contract/agreement;

12) **conflict of interests** - any situations or circumstances in which personal interest/private interest/personal interest/personal benefit/activity of an official or Employee contradict the interests of the Company or may potentially conflict with them and thereby may lead to improper performance of their official/work duties and affect the objectivity of decisions on issues related to related to their competence;


13) **personal interest /private interest/personal interest/personal benefit** - the opportunity for an official or Employee to receive income in the form of money, valuables, other property or services of a property nature, other property and non-property rights for himself or third parties not related to receiving wages and other payments established by the internal documents of the Company;

14) **separate structural subdivision** - branch, representative office, oil pipeline management, other geographically separate structural subdivision of the Company;

15) **Company** - KazTransOil Joint Stock Company;

16) **Responsible person** - the head or other employee of the Responsible structural division responsible for maintaining and storing the log of information on identified conflicts of interest, as well as for monitoring information on conflicts of interest;

17) **Responsible structural division** is a structural division of the Company, whose functions include monitoring the presence of a conflict of interest among officials and Employees and assistance in ensuring measures to resolve it;

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 5 of 27

18) a politically significant person:

a civil servant is a citizen of the Republic of Kazakhstan who, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, holds a state position paid from the republican or local budgets or from the funds of the National Bank of the Republic of Kazakhstan in a state body and exercises official powers in order to implement the tasks and functions of the state;

an official is a person who permanently, temporarily or by special authority performs the functions of a government representative or performs organizational and administrative or administrative and economic functions in state bodies, local self-government bodies, as well as in the Armed Forces, other troops and military formations of the Republic of Kazakhstan;

a foreign official is any appointed or elected person holding any position in a legislative, executive, administrative or judicial body of a foreign state, and any person performing any public function for a foreign state, including for a public agency, enterprise, as well as an international civil servant of an international organization or any person authorized by an international organization to act on its behalf;

19) **Management Board** - Management Board of the Company;

20) **Employee** - an individual (head, specialist and other employee of the Company's central office, department responsible for the provision of operator services, a separate structural division) who is in labor relations with the Company and directly performs work under an employment contract;

21) **relatives** - full and incomplete brothers, sisters, parents and children of the spouse (spouse);

22) **Board of Directors** - The Board of Directors of the Company;

23) **structural division** - a division of the Company responsible for the implementation of a certain type of activity/process and reflected in the structure of the Company (structural divisions of the central office of the Company, the department responsible for the provision of operator services, separate structural divisions);

24) **SED** - electronic document management system of the Company;

25) **conflict of interest management** is the creation of mechanisms to prevent situations in which personal interest/private interest/personal interest/personal benefit/activity of an official or Employee may lead to improper performance of their official/work duties and affect the objectivity of decisions on issues related to their competence;

26) **conflict of interest settlement** - actions of bodies and/or persons capable and competent to make managerial decisions, as a result of which negative consequences of a probable or occurred conflict of interests of an official and/or Employee are excluded.

4. DESCRIPTION OF THE PROCESS

Chapter 1. Block diagram


Logging in to the process:		Information about the possible existence of a conflict of interest	
Ser . No.	Action	Performer	Record
1	Identification of conflicts of interest among officials and Employees. Officials and Employees fill out applications (Appendices 1,3,4 to the Rules)	Responsible structural division, personnel service	Service note on the SED, a paper application
2	Registration of information on the occurrence of a conflict of interest in the register of information on identified conflicts of interest among officials and Employees (Annex 5 to the Rules)	Responsible structural division	Journal of registration of information on identified conflicts of interest among officials and employees
3	Application of measures to resolve conflicts of interest	Commission	Minutes of the meeting (decision) Commissions
4	Monitoring of information about a conflict of interest	Responsible person	Direction to KMG summary information from the register of information on identified conflicts of interest among officials and Employees
Exiting the process:		Information about conflict of interest settlement	

Chapter 2. Identification of a conflict of interest

§1. Types of conflicts of interest

15. The following situations may relate to a conflict of interest:

- 1) use by an official or Employee of insider and/or other confidential information of the Company for personal purposes:
 - execution of transactions directly or indirectly using insider and/or other confidential information of the Company for personal gain;

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 7 of 27

disclosure of insider and/or other confidential information of the Company, which became known to him due to the performance of his official/labor duties, or any other information, the disclosure of which may have a negative impact on the interests of the Company, as well as any use by an official or Employee, or his close relative, spouse and/or relative of insider information and/or other confidential information of the Company for personal benefit;

transfer to third parties of insider and/or other confidential information of the Company, personal data of Employees and/or representatives of counterparties;

2) abuse of authority by an official or Employee and neglect of official/labor duties:

combining executive and control functions, allowing you to use your job/work responsibilities for personal gain;

exceeding one's authority or abuse of authority for the purpose of obtaining personal gain;

creating obstacles in the performance of official/labor duties to another official or Employee, including for the purpose of obtaining personal benefits;

participation in the decision-making process regarding the evaluation of one's own work, reassignment (re-election), determination or payment of remuneration, or other issues regarding oneself;

participation or influence, directly or indirectly, on a business decision, process or transaction in the course of the Company's activities, in which personal interests will contradict the interests of the Company;

participation for profit or other personal gain in a transaction in which the Company is one of the parties, unless such participation was first approved in writing by the authorized body of the Company;

personal use of the Company's resources, intellectual property and equipment;


3) performance by an official or Employee of their functions in the Company:

hiring or changing the work duties of an Employee, as a result of which the Employee and/or his close relative, spouse, relative will be directly subordinate and make any personnel decisions regarding a close relative, spouse, relative (including making a decision on salary changes, awarding bonuses, appointing a certain functionality, promotion, etc.);

work or performance of functions with close relatives, spouse, relatives in the same collegial management body and/or collegial executive body of the Company or SDJCO;

appointment or election of an official, as a result of which the official will make any personnel decisions regarding a close relative, spouse, relative;

4) conflict of interest in tender procedures:

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 8 of 27

the tender procedures involve a legal entity in which the Employee - member of the tender commission has shares (participation in the authorized capital), or the Employee is the beneficial owner of such a legal entity;

the tender procedures involve a legal entity in which a close relative, spouse, relative of an Employee - member of the tender commission or a close relative, spouse, relative of such an Employee has shares (participation in the authorized capital) of such a legal entity;

An employee – a member of the tender commission and/or his close relative, spouse, relative own securities other than shares of the legal entity that submitted an application for participation in the tender procedure;

5) conflict of interest in projects and transactions:

a situation in which an official or Employee, or his close relative, spouse, relative is a party to a project or transaction related to the Company;

a situation in which an official or Employee, or his close relative, spouse, relative is an affiliated person of an organization that is a party to a project or transaction related to the Company;


a situation in which an official or Employee, or his close relative, spouse, relative is an affiliated person, independent director or Employee of an organization that competes with the Company in terms of providing services, implementing a project or concluding a transaction with a third party;

any commercial or other interest (direct or indirect) in projects, transactions related to the Company;

6) employment and business activity of an official or employee outside the Company:

acquisition of shares (participation shares in the authorized capital), election or appointment to a management body (board (meeting) of directors, supervisory board, etc.), election or appointment as a member of the executive body (sole executive body), election or appointment to other managerial positions providing for the implementation of organizational and administrative and/or administrative-economic functions of the counterparty and/or competitor while maintaining the current position in the Company and/or SDJCO. This provision is also applicable to close relatives, spouse, relatives of an official or Employee.

The General Director (Chairman of the Management Board) of the Company is not entitled to hold the position of the head of the executive body or a person solely performing the functions of the executive body, another legal entity. Members of the Management Board are entitled to work in other organizations only with the consent of the Board of Directors. At the same time, members of the Management Board should not be members of the boards of directors (supervisory boards) or executive bodies of the Company's competitor organizations, as well as have a significant financial interest in them;

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 9 of 27

participation of an official or Employee, as well as his close relatives, spouse, relatives in the activities of the counterparty, implying preference by an official or Employee of the interests of one counterparty to the detriment of the interests of another in order to obtain personal benefits and / or preference by an official or Employee of their own interests to the detriment of the interests of the counterparty in order to obtain personal benefits;

contradiction between the interests of the Company and the interests of another legal entity or individual entrepreneur in which the official or Employee is an Employee/beneficial owner;

competition with the Company, including, but not limited to, competition on any projects and transactions;

acquisition or retention of personal interest in one of the assets of the Company or SDJCO, or counterparties, competitors without prior notification of the Company and/or obtaining, if necessary, written permission from the authorized body of the Company. In case of refusal of this interest (sale of his share, re-registration of ownership rights, etc.), the conflict of interest persists if the Employee continues to influence the counterparty;

provision of services by an employee to contractors, part-time work with contractors;

conclusion of a contract by the Company with a former Employee, as well as with a legal entity with which the former Employee is affiliated, if less than 2 (two) years have passed since the termination of the employment relationship with such Employee years;

investment by the Company in any company with which the Company carries out its activities, if an official or Employee and/or affiliated persons influence decision-making in such a company;


7) interaction with politically significant persons:

the presence of personal interest in interacting with politically significant persons within the framework of the performance by an official or Employee of official/labor duties in the Company;

8) obtaining personal benefits:

receipt by an official, an employee or his close relative, a spouse, a relative of remuneration in the form of money, services and other forms for the performance by an official or Employee of their official / work duties from individuals and / or legal entities in which an official or Employee does not perform official / work duties;

acceptance by an official, Employee or his close relative, spouse, relative of gifts in connection with the performance by an official, Employee of official/labor duties or acceptance by an official, Employee of gifts from persons dependent on them for work, with the exception of symbolic tokens of attention and symbolic

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 10 of 27

souvenirs in accordance with generally accepted norms of politeness and hospitality or during protocol and other official events;

receipt by an official, Employee or his close relative, spouse, relative from suppliers, contractors or other contractors of the Company of personal discounts or other exclusive benefits that are not generally available to other officials, Employees or their close relatives.

16. The situations of conflicts of interest listed in paragraph 15 of the Rules are not exhaustive. To determine whether there is a conflict of interest, officials and Employees should be guided by the term conflict of interest given in paragraph 14 of the Rules.

§2. Procedure for disclosure of information about a conflict of interest

17. Officials and Employees are obliged to immediately and fully disclose all information about a possible or emerging conflict of interests, as well as actively contribute to its settlement. In case of doubts about the presence/absence of a possible or emerging conflict of interests, officials and Employees should contact the Responsible structural division for clarification.


Disclosure of information about a possible or emerging conflict of interest should be carried out by an official or Employee in writing and in the most understandable form.

18. The following procedure is established for disclosing information about a possible or emerging conflict of interests of officials and/or Employees:

1) The responsible structural subdivision within 3 (three) working days from the date of receipt of information on the election of a new chairman and/or new members of the Board of Directors sends the Rules and the application form for initial Disclosure of information about a possible conflict of Interests according to Annex 1 to the Rules to the Corporate Secretary of the Company by e-mail or by e-mail to his e-mail address. The Corporate Secretary of the Company transmits these documents directly to the newly elected Chairman and/or members of the Board of Directors or sends them by e-mail to their e-mail addresses.

These persons fill out an application for the initial disclosure of information about a possible conflict of interest on the received form. After receiving the completed applications from these persons, the Corporate Secretary of the Company, within no more than 1 (one) working day, transmits them to the head of the Responsible Structural Division. These statements are kept by the head of the Responsible structural division;

2) Within 3 (three) business days from the date of receipt of information on the election of a new CEO (Chairman of the Management Board) and/or new members of the Management Board, the responsible structural division sends the

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 11 of 27

Rules and the application form for initial Disclosure of information about a possible conflict of Interests according to Annex 1 to the Rules to the specified persons by e-mail or by e-mail to their e-mail addresses.

These persons fill out an application for the initial disclosure of information about a possible conflict of interest on the received form and transfer it to the head of the Responsible structural division. These statements are kept by the head of the Responsible structural division;


3) personnel services, when hiring, necessarily familiarize newly hired Employees with the Rules by filling out a familiarization sheet in accordance with Annex 2 to the Rules. At the same time, each newly hired Employee carries out the initial disclosure of information about a possible conflict of interest by filling out an application for initial disclosure of information about a possible conflict of interest in accordance with Annex 1 to the Rules. This application is stored in the Employee's personal file in the personnel service. A copy of this application within 3 (three) working days from the date of its completion by the Employee is sent by the personnel service to the Responsible structural division for the SED, together with a copy of the order on the Employee's employment in the Company;

4) when transferring an Employee to a new position, simultaneously with familiarizing the Employee with the order for his transfer to a new position (but no later than 1 (one) working day from the date of issuance of the order for the transfer of the Employee to a new position), the Employee discloses information about a conflict of interest by filling out an application for a possible conflict of interest in the form according to Annex 3 to the Rules or statements about the absence of a conflict of interest in the form according to Annex 4 to the Rules. This application is stored in the Employee's personal file in the personnel service. A copy of this application within 3 (three) working days from the date of its completion by the Employee is sent by the personnel service to the Responsible structural division for the SED, together with a copy of the order on the Employee's employment in the Company;

5) Every year, officials and Employees disclose information about a conflict of interest.

The responsible structural division directs:

to the Corporate Secretary of the Company by e-mail or by e-mail to his e-mail address of the application form for disclosure of information about a possible conflict of interest in accordance with Annex 3 to the Rules and a statement on the absence of a conflict of interest in accordance with Annex 4 to the Rules. The Corporate Secretary of the Company transmits these documents directly to the Chairman and members of the Board of Directors or sends them by e-mail to their e-mail addresses. The Chairman and members of the Board of Directors disclose information about a conflict of interest by filling out an application for disclosure

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 12 of 27

of information about a possible conflict of interest or a statement about the absence of a conflict of interest on the received forms. After receiving the completed applications from these persons, the Corporate Secretary of the Company, within no more than 1 (one) working day, transmits them to the head of the Responsible Structural Division. These statements are kept by the head of the Responsible structural division;


to the General Director (Chairman of the Management Board) and members of the Management Board by e-mail or by e-mail to their e-mail addresses, an application form for disclosure of information about a possible conflict of interest in accordance with Annex 3 to the Rules and a statement for the absence of a conflict of interest in accordance with Annex 4 to the Rules. The General Director (Chairman of the Management Board) and members of the Management Board disclose information about a conflict of interests by filling out an application for disclosure of information about a possible conflict of interests or statements about the absence of a conflict of interests on the received forms and transfer them to the head of the Responsible structural division. These statements are kept by the head of the Responsible structural division;

according to the SED, a request to structural divisions for disclosure by Employees of information about a conflict of interest. In accordance with this request, Employees of structural divisions disclose information about a conflict of interest by filling out an application for disclosure of information about a possible conflict of interest in the form according to Annex 3 to the Rules or a statement about the absence of a conflict of interest in the form according to Annex 4 to the Rules. After receiving the specified statements of Employees from the structural divisions, the Responsible structural division transfers them to the personnel service for storage in the personal files of Employees. Copies of these statements are stored in the Responsible structural division;

6) one-time disclosure of information about a conflict of interest is carried out by officials and Employees as situations arise that give rise to a conflict of interest by filling out an application for disclosure of information about a possible conflict of interest in accordance with Annex 3 to the Rules within 3 (three) working days from the date of occurrence of such a situation.

Disclosure of information about a possible or arisen conflict of interests of officials and/or Employees must also be carried out by these persons by filling out information forms in the Compliance Control system of JSC NC "KazMunayGas" (<https://compliance.kmg.kz>) according to the user manual posted on this Internet resource.

If an official or an Employee has changed the situation or circumstances and the conflict of interests no longer exists, this change must be registered by the Responsible Person in the Register of Information about the identified conflicts of

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 13 of 27

Interests in accordance with Annex 5 to the Rules (hereinafter – the Registration Log).

19. If an official and/or Employee has become aware of a possible or emerging conflict of interests with another official or Employee, he must immediately inform the Company's hotline or the Responsible Person to take appropriate measures. At the same time, their rights should not be infringed in the case of such treatment.

1) maintain the confidentiality of the disclosure of information about the conflict of interest and the process of its settlement;

2) protect an official or an Employee from prosecution in connection with a conflict of interests that was disclosed and resolved in a timely manner.

20. The information received via the hotline must be transmitted by e-mail or e-mail to the Responsible Person within 1 (one) business day from the date of its receipt by the hotline. Such information must necessarily contain information about the official or Employee in respect of whom information is provided about a possible /emerging conflict of interests (surname, first name and patronymic (if any) of the official or Employee, position, name of the structural division), a description of the situation of a possible /emerging conflict of interests, documents confirming the information provided (if any), contact details of the applicant (surname, first name and patronymic (if any), contact phone number, email address, postal address, etc.).


21. All situations of a possible, arisen, identified conflict of interest, as well as situations in which a conflict of interest no longer exists, must be registered by the Responsible Person in the Registration Log.

Chapter 3. Prevention and settlement of conflicts of interest

§1. Measures to prevent and resolve conflicts of interest

22. In order to increase the effectiveness of work on the prevention and settlement of conflicts of interest, the Company strives to create mechanisms for their timely and complete identification, as well as for clear coordination of actions of all bodies of the Company to resolve them.

23. Information on the existence of a possible or emerging conflict of interests among officials and/or Employees should be checked by the Responsible Person within no more than 5 (five) working days from the date of receipt of the relevant information/statement to assess the seriousness of the risks arising for the Company.

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 14 of 27

24. In order to prevent a conflict of interests, the personnel service/The responsible structural division , in accordance with the functions and tasks assigned to them , are obliged to:

1) when hiring, promoting or changing the official/labor duties of officials/Employees of the Company - to avoid appointments to positions of persons who are close relatives, spouse(s), relatives with a direct supervisor or a person performing his duties;

2) ensure that each official or Employee is familiarized with the Rules when applying for a job;


3) in accordance with the procedure provided for by the Company's internal documents, when checking the Company's counterparties, at the stages of procurement procedures for goods, works, services and registration of contractual relations with them - to study the composition of the founders (participants/shareholders) and managers of the Company's counterparties for signs of affiliation with officials and employees, their close relatives, spouses, as well as relatives;

4) conduct regular explanatory work aimed at communicating the provisions of the Rules to officials or Employees;

5) to keep records of information about affiliated persons, insiders of the Company.

25. The responsible person immediately informs the head of the Responsible structural division about the identified situations of a possible or emerging conflict of interests in order to choose the most appropriate form of resolving this conflict. In case of identification of situations of possible or emerging conflict of interests among officials, the head of the Responsible Structural Subdivision of the Company shall bring this information to the attention of the General Director (Chairman of the Management Board) or, in relation to members of the Board of Directors, to the Chairman of the Board of Directors of the Company.

26. To resolve the conflict of interests in the Company, a Commission is formed, which includes all interested parties. The composition of the Commission is determined by the order of the General Director (Chairman of the Management Board) of the Company or a person replacing him, and includes the Company's Ombudsman, employees of the Responsible structural division, the structural division of the central office of the Company responsible for the management of personnel records of the Company, the structural division of the central office of the Company responsible for ensuring corporate security, the structural division of the central office of the Company, responsible for legal support of procurement and contractual work and/or for legal support of corporate issues of the Company's activities, as well as employees of other structural divisions of the Company's central office.

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 15 of 27


§2. Application of conflict of interest resolution measures

27. In each specific case of a possible or arisen conflict of interests, various measures of its settlement may be determined, subject to compliance with the requirements of the legislation of the Republic of Kazakhstan and documents regulating the Company's activities, including, but not limited to:

- 1) restriction of access of an official or Employee to specific information that may affect the personal interests of an official or Employee;
- 2) suspension (permanent or temporary) of an official or Employee from participating in the discussion of issues in which they have or may have a conflict of interest, and making decisions on them;
- 3) revision and modification of official/labor duties of an official or Employee;
- 4) transfer/re-election of an official and/or Employee to a position providing for the performance of official/labor functions not related to a conflict of interests (with the consent of the official/Employee);
- 5) alienation by an official or Employee of property belonging to him, which is the basis for a conflict of interest;
- 6) refusal of an official or Employee from his personal interest, generating a conflict of interests;
- 7) termination of the contract with the counterparty in which the official and/or Employee has a personal interest, as well as the introduction of a moratorium on the renegotiation of the contract with the counterparty within one year if the official and/or Employee ceases to own or be the ultimate beneficial owner of the counterparty;
- 8) termination of the contract with an official and/or termination of the employment contract with an Employee.

28. The list of measures given in paragraph 27 of the Rules is not exhaustive. In each specific case, other measures may be applied depending on the specifics of the current situation, the degree of adequacy of the measures taken to resolve the conflict of interests.

29. If, as a result of the settlement of a conflict of interests, an official and/or Employee ceases to own or be the ultimate beneficial owner of a counterparty or competitor, and if, as a result of such actions, the conflict of interests can be considered settled, then the official and/or Employee must inform the Responsible structural division of the absence of a conflict of interests by submitting a completed application in accordance with the Annex 4 to the Rules.

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 16 of 27

Chapter 4. Monitoring of information about a conflict of interest

30. The responsible person carries out quarterly monitoring and verification of the information provided to him about the conflict of interests.

31. Quarterly, no later than the 3rd day of the month following the reporting quarter, the Responsible Person sends to KMG summary information from the Registration Log indicating, if any, information on identified cases of conflict of interests of officials and/or Employees for the past quarter.

5. RESPONSIBILITY

32. Officials and Employees are responsible for:

1) observance and execution by them, their spouse, close relatives, relatives of the Rules;

2) timely identification of the conflict of their personal interests with the interests of the Company, as well as for timely disclosure of their possible or emerging conflict of interests or possible/emerging conflict of interests of their spouse, close relatives, relatives, as well as for active participation in the settlement of a possible or emerging conflict of interests of these persons;

3) resolving issues related to the personal interests of officials or employees in such a way as to avoid as much as possible the conflict of interests arising in connection with appointment to a position or subsequent stay in it.

33. The Company considers concealment and/or intentionally untimely or incomplete disclosure of information about a conflict of interest as an abuse of trust and deception. Failure to comply with the provisions of the Rules may be considered as a disciplinary offense and serve as a basis for bringing an official and/or Employee to responsibility.

34. If violations of the requirements of the legislation of the Republic of Kazakhstan, as well as the Rules, resulting in losses to the Company, are committed in the work to prevent and resolve conflicts of interest, the persons guilty of such violation are held liable in accordance with the legislation of the Republic of Kazakhstan.

35. If it is impossible to resolve a conflict of interest through negotiations, it is resolved in court.

6. PERFORMANCE CRITERIA PROCESS


36. The criterion for the effectiveness of the process is the absence of situations leading to a conflict of interests of officials or Employees, or their timely and proper settlement.

7. PROCESS RISKS

37. During the execution of the process regulated by the Rules, the following risks may arise:

No. Ser. No.	Risk name	Preventive actions	Corrective actions	Risk Owner
1	Bringing the Company responsibility for violation of the requirements established by the legislation of the Republic of Kazakhstan	Monitoring compliance with the requirements of the Rules	1. Identification and analysis of the reasons for the implementation of this risk. 2. Initiating the issue of taking response measures to persons who have committed violations due to non-compliance with the requirements of the Rules	Responsible structural division
2	Decision-making, conclusion of transactions that do not meet the interests of the Company	Monitoring compliance with the requirements of the Rules	1. Identification and analysis of the reasons for the implementation of this risk. 2. Initiating the issue of taking response measures to persons who have committed violations due to non-compliance with the requirements of the Rules	Responsible structural division

8. DOCUMENTS REFERENCES*


 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 18 of 27

[1]	The Law of the Republic of Kazakhstan dated May 13, 2003 "On Joint-Stock companies"
[2]	The Law of the Republic of Kazakhstan dated November 18, 2015 "On combating Corruption"
[3]	The Charter of KazTransOil joint-stock company, approved by the decision of the Sole Shareholder of the Company (minutes of the meeting of the Board of Directors of JSC NC KazMunayGas dated October 19, 2012 No. 8/2012)
[4]	The Corporate Governance Code approved by the decision of the General Meeting of Shareholders of the Company (Minutes No. 3/2016 dated May 27, 2016)
[5]	The Code of Business Ethics of KazTransOil JSC, approved by the decision of the Board of Directors of the Company (Minutes of the meeting dated December 10, 2020 No. 12/2020)

*When using the Rules, it is advisable to check the validity of the reference documents as of the current year. If the reference document is replaced (changed), then when using the Rules, you should follow the replaced (changed) document. If a reference document is cancelled without replacement, the position in which the reference to it is given is applied in the part that does not affect this link.

9. ANNEXES

Annex 1 (mandatory)	Application form for initial disclosure of information about a possible conflict of interest
Annex 2 (mandatory)	Form of a sheet of familiarization with the Rules of Conflict of Interest Management for officials and employees KazTransOil JSC
Annex 3 (mandatory)	Application form for disclosure of information about a possible conflict of interest when entering a new position/transferring to a new position or changing circumstances
Annex 4 (mandatory)	Application form for the absence of a conflict of interest
Annex 5 (mandatory)	The form of the log of registration of information on identified conflicts of interest

	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 19 of 27

Annex 1 (mandatory)

Statement of initial disclosure of information about a possible conflict of interest

" ___ " _____ 20__ _____ (city, locality)

1. Information about the intention to purchase securities issued by counterparties/competitors of KazTransOil JSC (hereinafter – the Company):

I hereby notify that I/my spouse/a close relative/relative intends to purchase securities issued by counterparties/competitors of the Company:

Ser. No.	Name of the nominee holder/owner, place of storage of securities	Type of securities*	Issuer	Quantity (pcs.)

**Types of securities: stock, bond, promissory note, Eurobond, corporate bond, unit, derivative financial instrument (note, option, futures, forward, etc.).*

2. Information on beneficial ownership in counterparty companies/competitors of the Company and SDJCO:


I hereby notify that I/my spouse/a close relative/relative is/is the owner(s)/beneficial owner(s) and/or has/has the intention to acquire any assets/shares/participation interests of legal entities that are/potentially may be counterparties/competitors Companies and/or SDJCO:

Ser. No.	Name of the legal entity/information about the acquired asset (name, identification characteristics, information about state registration, etc.) *	Share of participation (number of shares, including as a percentage of the total number of shares, including the type of shares/size of the share in the authorized capital)/the cost of the acquired asset **	Currency

**The name of the legal entity - counterparty/competitor of the Company in which the applicant/his spouse is/is expected to participate is indicated/close relatives/relatives as the owner(s)/beneficiary(s) of the owner(s) and/or in the management. Information about the intention of the applicant/his spouse is also indicated/close relatives/relatives to acquire any assets/shares in legal entities that are / may potentially be counterparties / competitors of the Company and/or SDJCO.*

*** The amount of participation/cost of acquisition of the asset in tenge and/or in another currency is indicated as of the date of the application, indicating the number of shares (participation in the authorized capital) of the legal entity.*

3. Information on participation in the sole and/or collegial management bodies of counterparties or competitors of the Company and/or SDJCO:

	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 20 of 27

I hereby notify that I/my spouse/a close relative/relative is/is an official/member of the management body (board (meeting) of directors/supervisory board, etc.)/ member of the executive body/sole executive body/independent director/person elected or appointed to other managerial positions providing for the implementation of organizational and administrative and/or administrative-economic functions of the counterparty and/or competitor of the Company and/or SDJCO:

Ser. No.	Name of the legal entity*	Type of participation**

* The name of the legal entity (counterparty /competitor of the Company) in whose bodies the applicant, his spouse (spouse) is indicated/a close relative/relative is an official/member of the management body (board (meeting) of directors, supervisory board, etc.)/ member of the executive body/sole executive body/independent director/ person elected or appointed to other managerial positions providing for the implementation of organizational and administrative and/or economic functions of the counterparty and/or competitor.

** The type of participation is indicated (participation in the board (meeting) of directors, supervisory board, executive body, etc.).

4. Relation to politically important persons

4.1. I hereby notify you of a possible/arisen (underline) conflict of interests in interaction with a politically significant person(s):

Ser. No.	Possible/emerging conflict of interest (<i>it is necessary to describe what the conflict of interest / personal interest is expressed in</i>)

4.2. I hereby notify that I/my spouse(s)/a close relative/relative was/was (-is)/are (are) politically significant persons:

Ser. No.	Surname, first name, patronymic (if any) of the applicant / spouse of the applicant / close relative / relative of the applicant	Post	Place of work	Period of operation

The surname, first name, patronymic (if any) of the applicant /his spouse is indicated/close relative/relative, position, place of work, period of work.

5. Other disclosure of information

5.1. I hereby notify that I/my spouse/a close relative/relative intends/intends to acquire assets owned by the Company and/or SDJCO:

Ser. No.	Surname, first name, patronymic (if any) of the applicant / spouse of the applicant / close relative / relative of the applicant	Asset

5.2. I hereby notify you of the provision by me/my spouse(s)/a close relative/relative (including through legal entities in which I/my spouse(s)/a close relative/relative is the beneficial owner(s)) services/ other interaction with contractors/competitors of the Company and/or SDJCO:

Ser. No.	Counterparty	Type of interaction (for example, provision of services)

5.3. I hereby notify you of the provision by me/my spouse/a close relative/relative (including through legal entities in which I/my spouse(s)/a close relative/relative is the beneficial owner(s)) services/ other interaction with the Company and/or SDJCO:

Ser. No.	Counterparty	Type of interaction (for example, provision of services)

5.4. I hereby notify you that my spouse/close relative/relative is working in the Company and/or SDJCO or has been appointed/appointed to the position:

Ser. No.	Surname, first name, patronymic (if any) of the applicant's spouse/close relative/ relative of the applicant	Position held by a spouse/close relative /relative

5.5. I hereby notify you of any other possible/emerging conflict of interest (please underline):

Ser. No.	A description of the conflict of interests is indicated

I hereby confirm that all the information provided in the application is complete, truthful and reliable.

(Surname, first name, patronymic (if any) of the applicant, his position, the name of the structural division).


Applicant's signature: _____, date: _____

Responsible person "Reviewed":

(Surname, first name, patronymic (if any), position of the Responsible person, signature).

Annex 2 (mandatory)

_____ (city, locality)


 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 22 of 27

List of familiarization with the Rules of Conflict of Interest Management for officials and employees of KazTransOil JSC

<i>By signing this familiarization sheet, the employee confirms that he has read and understood all the points The rules of conflict of interest management of officials and employees of KazTransOil JSC, all the necessary explanations have been received.</i>		
Surname, first name, patronymic (if any) of the employee, his position, the name of the structural division	Date	Signature

Annex 3
(mandatory)

Application for disclosure of information about a possible conflict of interest when entering a new position/transferring to a new position or changing circumstances

	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 23 of 27

"__" _____ 20__ _____ (city, locality)

I hereby declare a possible/emerging conflict of interest (*underline*).

1. Information about the intention to purchase securities issued by counterparties/competitors KazTransOil JSC (hereinafter – the Company):

I hereby notify that I/my spouse/a close relative/relative intends to purchase securities issued by counterparties/competitors of the Company:

Ser. No.	Name of the nominee holder/owner, place of storage of securities	Type of securities*	Issuer	Quantity (pcs.)

* Types of securities: stock, bond, promissory note, Eurobond, corporate bond, unit, derivative financial instrument (note, option, futures, forward, etc.).

2. Information on beneficial ownership in counterparty companies/competitors of the Company and SDJCO:

I hereby notify that I/my spouse/a close relative/relative is/is the owner(s)/beneficial owner(s) and/or has/has the intention to acquire any assets/shares/participation interests of legal entities that are/potentially may be counterparties/competitors Companies and/or SDJCO:

Ser. No.	Name of the legal entity/information about the acquired asset (name, identification characteristics, information about state registration, etc.) *	Share of participation (number of shares, including as a percentage of the total number of shares, including the type of shares/size of the share in the authorized capital)/ the cost of the acquired asset **	Participation currency


*The name of the legal entity - counterparty/competitor of the Company in which the applicant/his spouse is/is expected to participate is indicated/close relatives/relatives as the owner(s)/beneficiary(s) of the owner(s) and/or in the management. Information about the intention of the applicant/his spouse is also indicated/close relatives/relatives to acquire any assets/shares in legal entities that are / may potentially be counterparties / competitors of the Company and/or SDJCO.

** The amount of participation/cost of acquisition in tenge and/or in another currency is indicated as of the date of the application, indicating the number of shares (participation in the authorized capital) of the legal entity.

3. Information on participation in the sole and/or collegial management bodies of counterparties or competitors of the Company and/or its SDJCO:

I hereby notify that I/my spouse/a close relative/relative is/is an official/member of the management body (board (meeting) of directors/supervisory board, etc.)/ member of the executive body/sole executive body/independent director/person elected or appointed to other managerial positions providing for the implementation of organizational and administrative and/or administrative-economic functions of the counterparty and/or competitor of the Company and/or SDJCO:

Ser. No.	Name of the legal entity*	Type of participation**

	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 24 of 27

* The name of the legal entity (counterparty /competitor of the Company) in whose bodies the applicant, his spouse (spouse) is indicated/a close relative/relative is an official/member of the management body (board (meeting) of directors, supervisory board, etc.)/ member of the executive body/sole executive body/independent director/ person elected or appointed to other managerial positions providing for the implementation of organizational and administrative and/or economic functions of the counterparty and/or competitor.

** The type of participation is indicated (participation in the board (meeting) of directors, supervisory board, executive body, etc.).

4. Relation to politically important persons

4.1. I hereby notify you of a possible/arisen (underline) conflict of interests in interaction with a politically significant person(s):

Ser. No.	Possible/emerging conflict of interest (<i>it is necessary to describe what the conflict of interest / personal interest is expressed in</i>)

4.2. I hereby notify that I/my spouse(s)/a close relative/relative was/was (-is)/are (are) politically significant persons:

Ser. No.	Surname, first name, patronymic (if any) of the applicant / spouse of the applicant / close relative / relative of the applicant	Post	Place of work	Period of operation

The surname, first name, patronymic (if any) of the applicant /his spouse is indicated/close relative/relative, position, place of work, period of work.

5. Other disclosure of information

5.1. I hereby notify that I/my spouse/a close relative/relative intends/intends to acquire assets owned by the Company and/or SDJCO:


Ser. No.	Surname, first name, patronymic (if any) of the applicant / spouse of the applicant / close relative / relative of the applicant	Asset

5.2. I hereby notify you of the provision by me/my spouse(s)/a close relative/relative (including through legal entities in which I/my spouse(s)/a close relative/relative is the beneficial owner(s)) services/ other interaction with contractors/competitors of the Company and/or SDJCO:

Ser. No.	Counterparty	Type of interaction (for example, provision of services)

5.3. I hereby notify you of the provision by me/my spouse/a close relative/relative (including through legal entities in which I/my spouse(s)/a close relative/relative is the beneficial owner(s)) services/ other interaction with the Company and/or SDJCO:

Ser. No.	Counterparty	Type of interaction (for example, provision of services)

 KazTransOil	Rules for managing conflicts of interest among officials and employees of KazTransOil JSC	
Rules	KTO-P99-Rules-2.1	page 25 of 27

5.4. I hereby notify you that my spouse/close relative/relative is working in the Company and/or SDJCO or has been appointed/appointed to the position:

Ser. No.	Surname, first name, patronymic (if any) of the applicant's spouse/close relative/ relative of the applicant	Position held by a spouse/close relative /relative

5.5. I hereby notify you of any other possible/emerging conflict of interest (please underline):

Ser. No.	A description of the conflict of interests is indicated

I hereby confirm that all the information provided in the application is complete, truthful and reliable.

(Surname, first name, patronymic (if any) of the applicant, his position, the name of the structural division).

Applicant's signature: _____, date: _____

Responsible person "Reviewed":

(Surname, first name, patronymic (if any), position of the Responsible person, signature).

Annex 4 (mandatory)

Statement on the absence of a conflict of interest

"__" _____ 20__ _____(city, locality)

I hereby confirm that:

I do not have a conflict of interest/personal interest that affects or may affect the impartial performance of my official/work duties;

I, as well as my spouse(s)/close relatives/relatives do not own/do not own(s) personally, as well as through affiliated persons, participation shares/shares in competing organizations of KazTransOil JSC (hereinafter referred to as the Company) and/or SDJCO;



Rules for managing conflicts of interest among officials and employees of KazTransOil JSC

Rules

KTO-P99-Rules-2.1

page 26 of 27

I, as well as my spouse(s)/close relatives/relatives do not own/do not own(s) personally, as well as through affiliated persons, participation shares/shares in the Company's counterparty organizations and/or SDJCO;

I, as well as my spouse(s)/close relatives/relatives do not use/ do not use corporate property, information or official position for the purpose of obtaining personal benefits, or participating in competition with the Company and/or SDJCO;

I do not abuse my official position to obtain personal benefits that may arise as a result of activities, including, but not limited to activities related to sales or purchases of the Company and/or its SDJCO, with the sale and purchase of assets, investment of funds of the Company and/or SDJCO, etc.;

I, as well as my spouse(s)/close relatives/relatives are not/ are not the director(s)/shareholder(s)/partner(s)/affiliated person(s)/official(s)/member(s) of the management body (board (meeting) of directors, supervisory board, etc.)/ member(s) of the executive body/sole executive body/independent director(s)/person(selected(s) or appointed(s) to other managerial positions providing for the implementation of organizational and administrative and/or administrative and economic functions of the counterparty and/or competitor or otherwise related person of the counterparty/competitor of the Company and/or SDJCO;

I perform my official/labor duties in strict accordance with the provisions of the Charter, the Code of Business Ethics and other internal documents of the Company;

I am notifying that I have not previously held positions related to the category of a politically significant person;

I am notifying that my spouse(s)/close relatives /relatives were not /were not (-is)/are not (are) politically significant persons;

In case of a possible conflict of interest, I undertake to immediately notify the Company in accordance with the established procedure.

I hereby confirm that all the information provided in the application is complete, truthful and reliable.

(Surname, first name, patronymic (if any) of the applicant, his position, the name of the structural division).

Applicant's signature: _____, date: _____

Responsible person "Reviewed":

(Surname, first name, patronymic (if any), position of the Responsible person, signature).

